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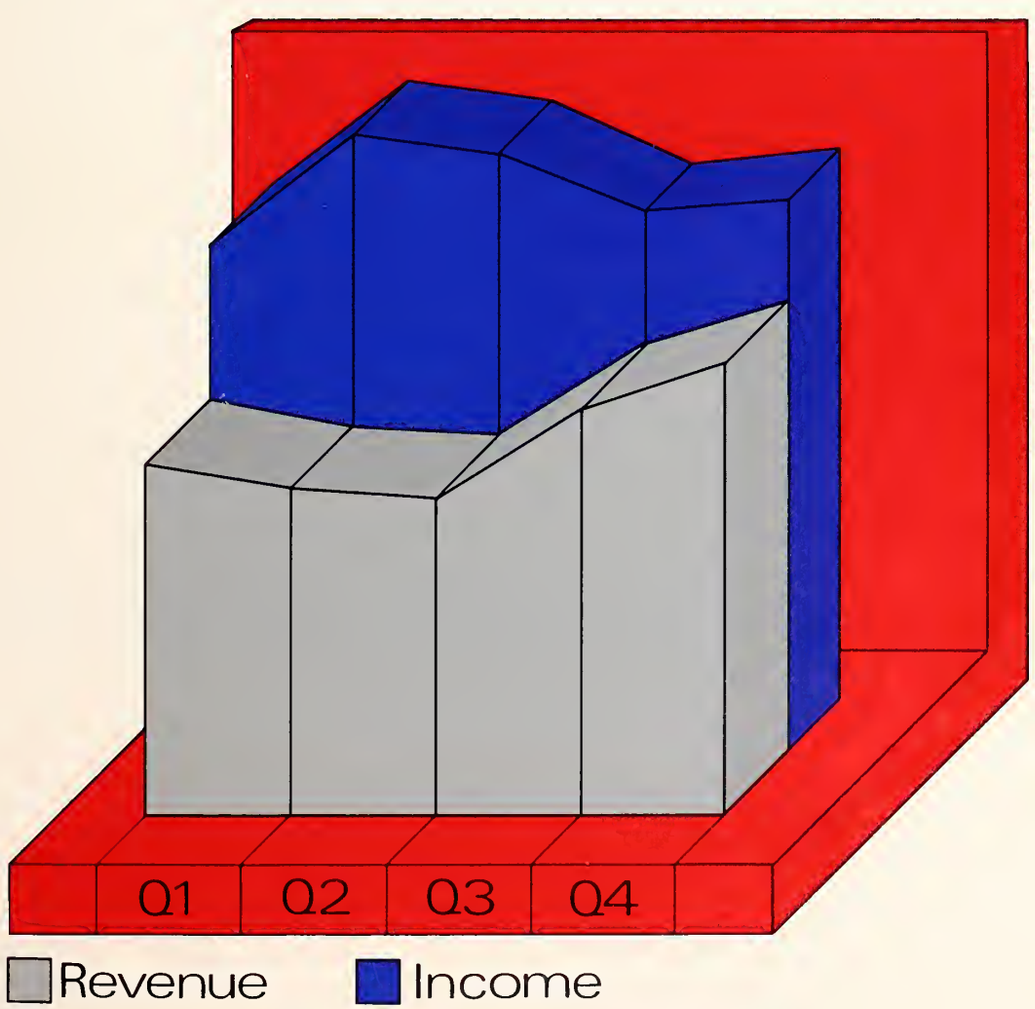
INFORMATION SERVICES

VENDOR FINANCIAL WATCH



April
VFW 85-2
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INFORMATION SERVICES VENDOR FINANCIAL WATCH

April 1985

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AUTHOR
Vendor Financial Watch
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I INTRODUCTION

- The Vendor Financial Watch (VFW) is a quarterly INPUT analysis of up-to-date financial reports of public information processing services, professional services, software products, and turnkey systems companies, both for comparative purposes (vendor to vendor) and to enable participants in a given sector of the information services market to monitor the overall growth of their sector.

- Each sector of the information services market is analyzed separately, both from a revenue and from a net income standpoint. The growth trends are analyzed in the last three columns of each data sheet in increasing calendar sequence; this is intended to provide an indication of the very latest developments in revenue and net income growth.

- Each information services market sector is also commented on separately, highlighting individual company successes and failures, and the trend in the market sector as a whole. The summary analysis at the back of the VFW report analyzes the comparative trends between sectors and comments on the trend of the total Information Services market. This section is particularly important since it identifies growth patterns very clearly.

- This quarterly Vendor Financial Watch report is intended as a planning tool for market planning executives and as an information newsletter for company executives. The data contained are extracted from published sources, annual reports, and 10-K reports, supplemented by INPUT's estimates (denoted by a * following a value) where data was not yet available from the company.

- This issue covers 100 information services vendors.

update: 4/1/85

II DATA REPORTED

- The VFW report is divided into two sections:
  - A summary of last quarter's acquisitions.
  - Information services companies' financial performance.
- Financial data provided includes each vendor's revenue and net income, reported on a calendar quarterly basis and comparisons on performance provided for:
  - 1984 versus 1983 (year on year);
  - Last calendar nine months' results compared to the year earlier period;
  - Last calendar six months' results compared to the year earlier period.
- Fiscal quarterly revenue is approximated to calendar quarterly revenue as follows:
  - Quarterly revenue reported as of February, March, and April is reported as Q1;
  - Quarterly revenue reported as of May, June, and July is reported as Q2;
  - Quarterly revenue reported as of August, September, and October is reported as Q3;
  - Quarterly revenue reported as of November, December, and January is reported as Q4.
- Fiscal year-end dates are provided in column 2 so that actual quarters for each company can be identified. Values that are followed by an asterisk (*) are INPUT estimates, pending release of the final results from the vendor. These are included so that the overall totals for each sector may be as complete as possible.

update: 4/1/85

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ACQUISITIONS ANALYSIS

III ACQUISITIONS ANALYSIS

- The following section is part of a series of quarterly analyses of acquisition activity in information services. Reporting on acquisitions tends to lag actual transactions by one month, so that the Vendor Financial Watch, in any given quarter, will be reporting on acquisitions that occurred up to four months earlier.

- In this first VFW for 1985 we have analyzed the acquisitions in the fourth quarter of 1984. The list that follows is alphabetized by quarter.

- Software companies constituted 12 of the 19 acquisitions contained in VFW's fourth quarter 1984 transaction list, or more than half the total. Once again, despite exceptional revenue growth and net income performances by turnkey vendors (up 40% on average for revenue and in excess of 50% on average for net income in the last two quarters of 1984) acquirors continue to shun the turnkey sector.

- Software companies, on the other hand, are divided into two categories:

  - Application-oriented software vendors who are experiencing a rapid decline in orders and profitability;

  - System software vendors who are having a very successful period of solid revenue and net income gains.

  Acquisitions in the fourth quarter of 1984 reflect, for the most part, acquirors' understanding of this trend.

- The key to the mode of transaction for each company is: B=buyout, C=cash, D=debt securities or debentures, M=merge, N/A=not available.

update: 4/1/85

4th Quarter
1984 Acquisitions

FIRM ACQUIRED	BY WHOM	BUSINESS	DATE	MODE	VALUE
AMTEC SYSTEMS CORP.	COMPUTER TASK GROUP INC.	Professional Services	Sep.	B	N/A
ARKAY COMPUTERS INC.	COMPUTER ASSOC'S INT'L INC.	Software	Sep.	B	N/A
AZURDATA	MSI DATA	Software Development	Nov.	S	N/A
C&E SOFTWARE INC.	SYMANTEC CORP.	Software Development	Sep.	M	N/A
CHILDWARE	HUMAN ENGINEERED SOFTWARE	Software Development	Sep.	B,C,S	N/A
CHRISTENSEN SYSTEMS INC.	PANSOPHIC SYSTEMS INC.	Software	Nov.	C,B	$2M
COMMUNICATIONS SOLUTIONS INC.	CDC	Software and Professional Services	Nov.	C	$5M
DESIGNWARE INC.	MANAGEMENT SCIENCE AMERICA INC.	Micro Software	Sep.	S	$2M
DIGITAL DATACOM INC.	HONEYWELL	Manufacturing Systems	Nov.	M,C,	$10M
EOCOM ELECTRONICS SYSTEMS	GERBER SCIENTIFIC	Laser-Based Imaging Devices	Sep.	B	$6M
GIFFORD COMPUTER SYSTEMS	ZITEL CORP.	Computers	Sep.	S	N/A
PALADIN SOFTWARE CORP.	VISICORP	Software	Nov.	M,S	N/A
ROLM	IBM	Telecommunications	Oct.	M	$1.25B
S.B. SYSTEMS INC.	SPECTRO INDUSTRIES INC.	Computer Systems	Sep.	C,S,B	N/A
SELECT INFORMATION SYSTEMS INC.	SUMMA SOFTWARE CORP.	Software Development	Oct.	M,SX	N/A
SOFTCOM INC.	HAYES MICROCOMPUTER PRODUCTS	Software	Sep.	B	N/A
SOFTREND INC.	BPI SYSTEMS INC.	Software	Sep.	M,SX	$3M
THOMAS NATIONAL GROUP	DUN & BRADSTREET	Software and Services	Oct.	B,C	$45M
TSC DATA TERMINALS	ULTIMATE COMPUTER SERVICES INC.	Terminals	Sep.	B	N/A

Key: B = Buyout, C = Cash, D = Debt Securities, Debentures, E = Equity Interest, M = Merger, S = Stock, SX = Stock Exchange, N/A = Not Available.

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PUBLIC PROCESSING SERVICES VENDORS

IV PROCESSING SERVICES TREND ANALYSIS

- Growth of the processing services sector shows a slight decline in the latest quarterly analysis:

  - 1984 revenue grew 18% over 1983 (for the 31 company sample);
  - Rolling nine months' revenue comparison shows a 17% growth;
  - The last six months' revenue in 1984 grew 16% over the year earlier period.

  Citizens Financial continues to be the fastest growing in terms of revenue on a percentage basis, but ADP contributed the most revenue growth in dollar terms. Good revenue performances were also shown by Cycare, Compuserve, Computone, Paychex, and Telerate.

- Net income is still erratic:

  - Down 7% in 1984 over 1983;
  - Up 15% in the last nine months over the year earlier period;
  - Up only 1% in the last six months over the year earlier period.

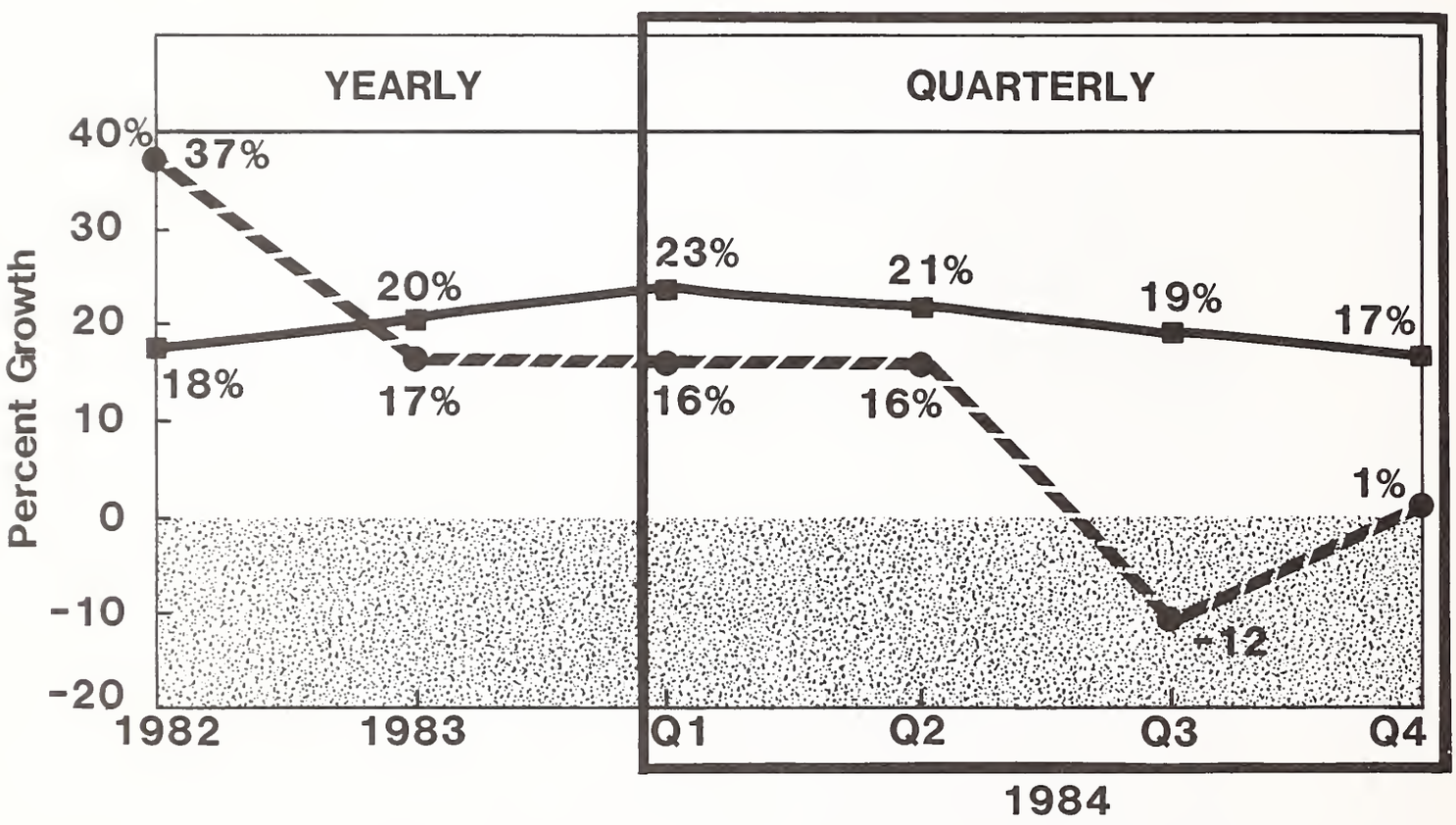
- These results are heavily impacted by continued poor income performance from Anacomp, Bradford National, and Comshare. In addition, year-end losses continued at Keydata and Payfone. Anacomp had the largest single year loss ever recorded in the processing services industry in 1984--over $82 million.

- The best performers are well focused, specialized service companies. Cycare, Paychex, ADP, Shared Medical, and Systematics have retained excellent net income on a steady revenue growth curve.

- Total sample: 31 companies representing 19% of the processing services industry revenues. Note that on the accompanying graphic, Anacomp's results have been removed to avoid distortion of the entire sample. This modifies the growth picture significantly.

update: 4/1/85

PUBLIC PROCESSING SERVICES VENDORS



Revenue
Income

Note: Excludes Anacomp
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REVENUES OF PUBLIC PROCESSING SERVICES VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTERS	LAST 2 ROLLING QUARTRS
ADP	06-30	196949	202323	218481	813722	234915	233195	236557	253620	958287	18	17	16
ANACOMP	09-30	30942	36297	34581	148266	35360	32615	29136	31532	128643	-13	-8	-14
BRADFORD	12-31	37005	36207	36735	144406	36990	39207	38086	38000*	152283	5	5	4
CITZN FIN	12-31	2672	2378	2267	9632	2620	5124	7582	2423	17749	84	107	115
COMDATA NTWK	12-31	14516	16198	18739	63369	19755	19939	20547	20945	81186	28	19	12
COMPUSERVE	04-30	11357	12579	13172	47943	14692	15447	16422	17684	64245	34	34	32
COMPUTER LAN	12-31	24344	14208	15943	85215	35301	26303	17280	19300	98184	15	15	21
COMPUTER NET	03-31	3756	4306	3474	15699	2684	1787	4345	7848	16664	6	21	57
COMPUTER RES	08-31	1541	1729	1498	6136	2033	1946	1914	2006	7899	29	23	21
COMPUTER SER	02-28	2332	2500	2600	9836	2525	2400	2420	2350*	9695	-1	-4	-6
COMPUTONE	05-31	7569	6265	8443	28062	8728	10030	9204	12743	40705	45	44	49
COMSHARE	06-30	18936	18340	17869	73873	18016	18783	16725	15473	68997	-7	-8	-11
COOK DATA SV	12-31	1194	1324	1081	5625	1356	1066	1598	1200*	5220	-7	7	16
CYCARE	12-31	7020	7636	8309	29246	7987	9402	10931	11754	40074	37	40	42
DST SYSTEMS	12-31	11535	12883	12509	47830	13405	14709	14856	15157	58127	22	21	18
DYATRON	12-31	6948	8248	11341	33858	8503	8305	8249	14460	39516	17	17	16
GENESEE	05-31	328	220	223	1050	225	275	317	347	1164	11	22	50
KEYDATA	07-31	1247	1340	1317	5289	1423	1416	1163	1230	5232	-1	-2	-10
NAT DATA	05-31	30063	33377	34349	128151	37146	34061	33752	34867	139826	9	5	1
NETWK D.P.	03-31	495	813	611	2643	628	833	659	657	2777	5	12	-8
NUMERAX	06-30	1599	1848	1989	7028	2094	2184	2304	2404	8986	28	27	23
PAYCHEX	05-31	6540	7533	7454	27765	8049	8683	9577	9917	36226	30	31	30
PAY-FONE	06-30	1205	1248	1427	5024	1305	1425	1698	1980	6408	28	32	37
QUOTRON	12-31	36726	40277	42213	153810	44493	46631	47921	50754	189799	23	22	20
SCIENTIF.COM	06-30	3435	3374	3578	13490	3857	4059	3358	3718	14992	11	7	2
SEI CORP	12-31	15648	17703	20889	69239	23037	23043	23968	23655	93703	35	30	23
SHARED MEDIC	12-31	51042	54079	56991	210814	59763	62818	65726	68446	256753	22	22	21
SYSTEMATICS	05-31	17244	19008	18587	71382	20455	20662	21896	22642	85655	20	19	18
TELECREDIT	04-30	15559	15839	20500	68281	18924	20244	19602	23813	82583	21	23	19
TELERATE	09-30	18030	19991	25611	79145	27460	29323	31574	34209	122566	55	49	44
TSR INC	05-31	3289	3555	4042	14092	4512	4449	4485	4481	17927	27	23	18
TOTALS		581066	605626	646823	2419921	698241	700364	703851	749615	2852071	18	17	16

31 Vendors

Last Updated 04-01-85

NET INCOME OF PROCESSING SERVICES VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTERS	LAST 2 ROLLING QUARTRS
ADP	06-30	18798	13650	17550	68705	22100	21830	15395	20137	79462	16	15	14
ANACOMP	09-30	-11527	-11973	-38918	-59978	-27846	-9258	-43312	-2467	-82883	-38	12	10
BRADFORD	12-31	-100	-4389	-3805	-8089	733	1561	-12924	-5000*	-15630	-93	-97	-119
CITIN FIN	12-31	789	516	540	2361	393	677	1004	254	2328	-1	5	19
COMDATA NTWK	12-31	2808	2988	2899	11083	3075	3637	3881	2674	13267	20	17	11
COMPUTER LAN	12-31	4055	-1104	-1431	8630	7145	2762	-1585	-1751	6571	-24	-138	-32
COMPUTER NET	03-31	-123	-848	68	-551	33	-538	-541	107	-939	-70	-8	44
COMPUTER RES	08-31	201	96	98	554	114	128	0	21	263	-53	-62	-89
COMPUTER SER	02-28	238	230	425	1158	300	240	205	350*	1095	-5	-11	-15
COMPUTONE	05-31	409	74	30	1144	-818	305	208	266	-39	-103	52	356
COMSHARE	06-30	1147	247	253	2335	415	475	-215	-5479	-4804	-306	-417	-1239
COOK DATA SV	12-31	-390	177	92	139	92	-88	247	50*	301	117	273	10
CYCARE	12-31	334	581	698	1899	473	555	731	841	2600	37	32	23
DST SYSTEMS	12-31	2808	2616	1677	9057	2348	2846	2694	1977	9865	9	6	9
DYATRON	12-31	28	-182	-4499	-4607	34	-267	-71	806	502	111	110	116
KEYDATA	07-31	-333	-566	2	-971	1	-4	35	-75	-43	96	95	93
NAT DATA	05-31	2914	2791	2832	11320	3191	3280	1106	1876	9453	-16	-27	-47
NETWK D.P.	03-31	-21	219	-76	266	-14	212	-70	-79	49	-82	-48	-204
NUMERAX	06-30	64	92	141	365	103	86	124	175	488	34	30	28
PAYCHEX	05-31	425	609	621	1895	378	413	684	785	2260	19	14	19
PAY-FONE	06-30	112	-170	-48	-66	-151	-237	83	105	-200	-203	54	186
QUOTRON	12-31	5530	6265	6735	23981	6917	6867	6425	6614	26823	12	7	0
SCIENTIF.COM	06-30	280	297	285	1159	317	331	181	10	839	-28	-39	-67
SEI CORP	12-31	1334	1350	1395	5244	927	936	622	-1928	557	-89	-109	-148
SHARED MEDIC	12-31	6606	7165	7448	27254	7535	8195	7729	9333	32792	20	19	17
SYSTEMATICS	05-31	1324	1607	1389	5518	1395	1658	1526	2257	6836	24	26	26
TELECREDIT	04-30	1150	886	1669	4543	1104	1473	925	918	4420	-3	-10	-28
TELERATE	09-30	5659	6145	6464	22818	6900	7536	7751	8180	30367	33	28	26
TSR INC	05-31	204	207	251	864	254	316	512	529	1611	86	105	127
TOTALS		44723	29576	4785	138030	37448	55927	-6650	41486	128211	-7	15	1

29 Vendors

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PUBLIC PROFESSIONAL SERVICES VENDORS

V PROFESSIONAL SERVICES TRENDS ANALYSIS

- The growth of revenues in the professional services sector has stabilized on a slight downward trend, as is demonstrated this quarter.
  - 1984 revenues grew 14% over 1983 (compared to 16% in 1983 over 1982);
  - The last nine months' revenue comparison shows a 14% growth;
  - The last six months' revenue results for 1984 for the same company sample shows a 13% increase over the previous six months.
- Net income growth shows a weakening pattern however:
  - 26% up in 1984 over 1983;
  - 22% up in the rolling three quarters analysis;
  - A smaller 16% up in the latest six months.
- A number of small- and medium-sized vendors continue to show excellent growth patterns:
  - AGS Computer (a multiservice vendor);
  - CGA Computer.
  - Computer Task Group.
  - Keane.
  - Logicon.
  - Systems & Computer Technology.
  - Technalysis.
- While many such vendors show very strong revenue growth, a small number show either a decline (202 Data Systems, CACI, Data Architects, Rand Information Services) or stagnation (ACT, Advanced Systems, CSC, Planning Research Corporation).
- The total sample this quarter is 25 companies or 33% of the professional services industry's total revenue.

update: 4/1/85

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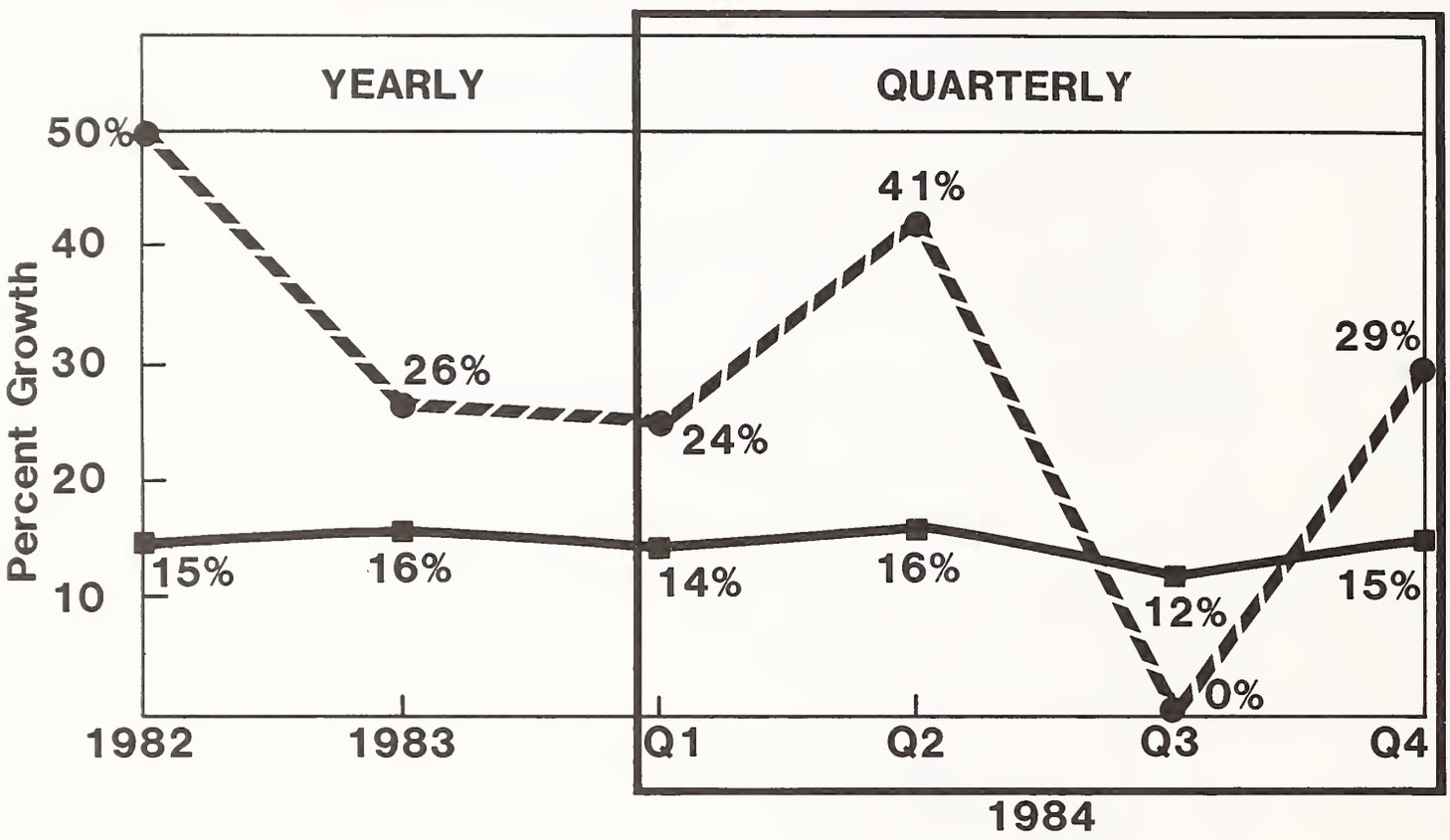
PUBLIC PROFESSIONAL SERVICES VENDORS



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REVENUES OF PUBLIC PROFESSIONAL SERVICES VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTRS	LAST 2 ROLLING QUARTRS
202 DATA SYS	10-31	920	442	1669	3648	627	491	553	503	2174	-40	-49	-50
ACT	12-31	2665	3121	2659	11185	2679	3235	2741	3227	11882	6	9	3
ADV.SYSTEMS	10-31	8938	11929	10003	39942	9274	9486	11967	10557	41284	3	4	3
AGS COMPUTER	12-31	35536	38775	46584	145911	53029	52944	56147	61960	224080	54	41	38
AM. MGT. SYS	12-31	18758	21023	20747	79196	20998	23023	25374	27611	97006	22	26	27
ANLYSTS INT.	06-30	5990	6477	7304	25600	8152	8754	9420	10368	36694	43	44	44
AUXTON COMP	12-31	4858	5126	5659	19515	5873	5635	6251	6146	23905	22	15	15
BDM INTERN'L	12-31	35214	40657	41681	151145	41607	45730	48838	55225	191400	27	27	26
BBN	06-30	23865	23710	25150	94470	27459	30031	29437	31875	118802	26	26	25
C.A.C.I.	06-30	29651	26791	30249	115344	26070	26736	24383	24622	101811	-12	-13	-14
CGA COMPUTER	04-30	10105	10798	11769	42172	13691	14292	15000*	16000*	58983	40	39	37
COMP DATA	06-30	11822	12780	13039	48200	14086	14966	15028	14080	58160	21	17	13
COMP HORIZ	02-28	6976	8100	9140	30679	10164	10435	10588	11636	42823	40	35	29
CSC	04-01	174276	184395	168525	718880	185928	173895	172027	178684	709634	-1	0	-1
COMP TASK GR	12-31	13011	13551	16136	53885	17377	18629	21876	24741	82623	53	53	57
DATA ARCHTS	11-30	6014	7914	5420	23545	3527	4586	4398	3026	15537	-34	-38	-44
DYNAMICS RES	12-25	9318	9701	15442	43663	11241	11944	12125	17760	53070	22	21	19
INTERMETRICS	02-28	7909	7765	9063	32821	10216	10537	11016	10869	42638	30	31	30
KEANE	12-31	4930	5192	6871	21659	7317	8430	8915	9166	33828	56	56	50
LOGICON	03-31	28019	30631	32692	120674	36691	39380	45541	39646	161258	34	36	35
PRC	06-30	81831	79856	76467	318906	79480	84919	78177	81770	324346	2	3	2
RAND INFO.	02-28	3123	2994	3735	12392	2842	2546	2753	2920	11061	-11	-17	-16
SYSCON CORP	11-30	20212	21871	26101	87015	24006	27253	26084	26687	104030	20	17	10
SYST.& COMP.	09-30	11548	12415	12688	46901	13560	15017	16500*	17000*	62077	32	32	33
TECHNALYSIS	12-31	2058	1651	2007	7941	2417	2317	2276	2938	9948	25	32	43
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TOTALS		537547	587665	600800	2295289	627411	645211	657415	689017	2619054	14	14	13

25 Vendors

Last Updated 04-01-85

NET INCOME OF PUBLIC PROFESSIONAL VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTERS	LAST 2 ROLLING QUARTRS
202 DATA SYS	10-30	149	15	195	452	76	20	14	2	112	-75	-90	-92
ACT	12-31	31	167	50	396	-94	179	23	59	167	-58	5	-62
ADV.SYSTEMS	10-31	1010	1697	1084	4809	989	802	335	1064	3190	-34	-42	-50
AGS COMPUTER	12-31	1091	1560	2196	5785	1559	1307	1778	1195	5839	1	-12	-21
AM. MGT. SYS	12-31	413	532	718	2012	449	643	812	937	2841	41	44	40
ANLYSTS INT.	06-30	-178	-237	-213	-797	-310	-302	-149	78	-683	14	41	84
AUXTON COMP	12-31	578	394	425	1732	470	360	490	241	1561	-10	-22	-11
BDM INTERN'L	12-31	1409	1629	1964	6346	1747	1921	2051	2354	8073	27	26	23
BBN	06-30	954	1091	1303	4260	1656	1879	1837	1978	7350	73	70	59
C.A.C.I.	06-30	167	12	1287	1942	-777	1461	564	658	1906	-2	83	-6
CBA COMPUTER	04-30	758	735	2601	4731	905	920	1000	1100*	3925	-17	-26	-37
COMP DATA	06-30	520	738	771	2590	860	509	824	817	3010	16	6	9
COMP HORIZ	02-28	450	453	626	1895	720	513	324	539	2096	11	-10	-20
CSC	04-01	2563	4397	4225	15826	7081	4637	3446	12403	27567	74	83	84
COMP TASK GR	12-31	372	406	379	1454	337	511	538	714	2100	44	52	59
DATA ARCHTS	11-30	192	-290	-1282	-1177	-319	322	230	367	600	151	167	138
DYNAMICS RES	12-25	94	44	792	1007	-16	64	483	809	1340	33	46	55
INTERMETRICS	02-28	41	-276	106	319	192	119	147	166	624	96	439	284
KEANE	12-31	78	8	10	232	91	145	169	214	619	167	450	2028
LOGICON	03-31	1159	1473	1564	5363	1680	1843	2071	2123	7717	44	44	38
PRC	06-30	2509	3576	2885	11263	2304	2661	650	1625	7240	-36	-45	-65
RAND INFO.	02-28	53	7	2	-21	48	-47	-81	-892	-972	-4529	-1745	-10911
SYSCON CORP	11-30	789	915	1102	3495	895	1058	924	1188	4065	16	13	5
SYST.& COMP.	09-30	2046	2562	2288	8653	2569	2860	3000	2800*	11229	30	26	20
TECHNALYSIS	12-31	220	243	272	928	224	250	271	276	1021	10	8	6
TOTALS		17468	21851	25350	83495	23336	24635	21751	32815	102537	26	22	16

25 Vendors

Last Updated 04-01-85

INPUT®

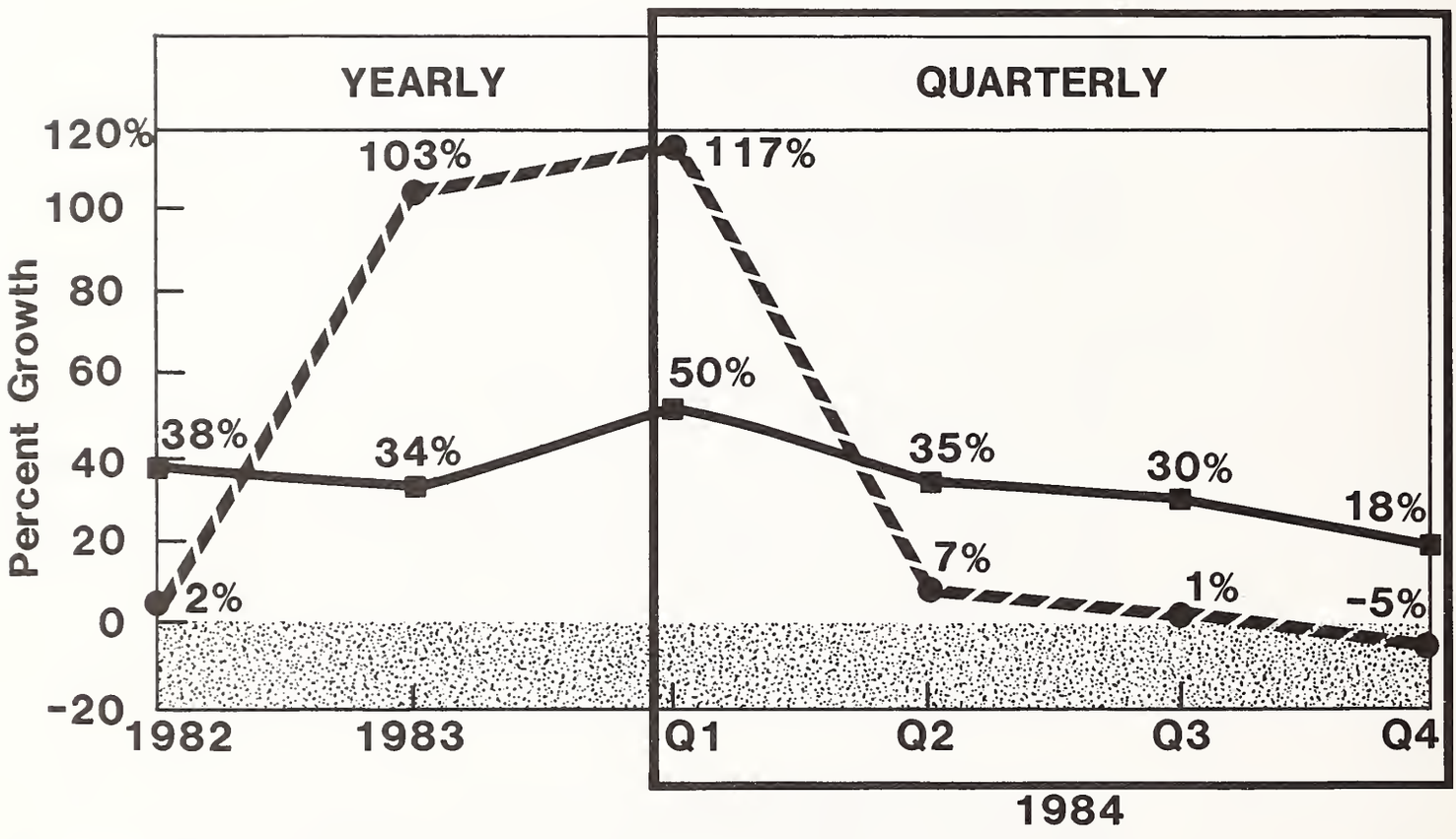
PUBLIC SOFTWARE PRODUCT VENDORS

VI SOFTWARE PRODUCTS TRENDS ANALYSIS

- The rapid growth of the software products sector slowed significantly in the last quarter of 1984:
  - 1984 revenues grew 31% over 1983 (as compared to 43% for 1983 over 1982) while the nine months' comparison showed a 27% growth;
  - The rolling six months' revenue results show a 23% growth over the year-earlier period completing a pattern of rapidly cooling in the industry's development.
- Net income continues to fall:
  - 1984 net income grew 15% over 1983 but was followed by a rolling nine months' contraction (-1%);
  - The last six months have seen a continuation of the contraction trend (-3%). These averages are impacted by BPI Systems, Innovative Systems, Information Sciences, On-Line Software, and NCA which all had poor quarters.
- This is still a very strong market in selected vertical and cross-industry markets and some very solid results from the principal vendors illustrate this:
  - Data base management systems continue to grow strongly, with companies like Cullinet, Pansophic, and Software AG at or above 30%;
  - Lotus Development still growing over 100% in the last three analysis periods, and net income growth over 80% in the same periods.
- Many personal computer software vendors have still to be included because they do not have a two-year financial track record yet (and some look as though they may not get that far). The sample this quarter is 26 companies representing 17% of the total software product industry's revenues.

update: 4/1/85

PUBLIC SOFTWARE PRODUCTS VENDORS



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REVENUES OF PUBLIC SOFTWARE PRODUCTS VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTERS	LAST 2 ROLLING QUARTRS
ADR	12-31	16758	24864	30151	89086	21549	28523	33663	44469	128204	44	49	42
AMERICAN S/W	04-30	4519	4701	6201	19161	5657	6581	7189	7992	27419	43	41	39
APPLIED COMM	09-30	4173	3874	3567	15674	5676	6697	6875	5490	24738	58	64	66
BGS SYSTEMS	01-31	1772	2217	3617	9192	2268	2216	2052	2500*	9036	-2	-11	-22
BPI SYSTEMS	03-31	2270	2670	2452	9335	2635	2495	2800	1692	9622	3	-5	-12
COMSERV	12-31	4528	3807	5000	16321	5487	6291	6326	6500*	24604	51	43	46
COMPUTER AS.	03-31	16162	18240	26070	76694	24528	22009	31056	38766	116359	52	52	58
CONTINUUM	03-31	5306	7249	8520	28059	8314	9157	9999	11410	38880	39	45	36
CULLINET	04-30	25798	27703	31386	108358	35149	40265	43684	47423	166521	54	55	54
HOGAN SYST.	03-31	4217	8524	7212	24978	16469	6695	11342	4604	39110	57	13	1
INFORMATICS	12-31	46383	50262	59756	197892	50921	50076	53835	56982	211814	7	3	1
INF. SCIENCE	04-30	3830	3970	8989	25801	12087	7336	6626	8038	34087	32	31	13
INNOVATIVE	06-30	345	480	656	1942	707	489	1380	1833	4409	127	150	183
INT.SOFT.SYS	12-31	4935	6309	8686	24177	5904	6970	8852	11906	33632	39	39	38
LOTUS DEV.	12-31	7851	16465	23903	53006	28269	32628	45649	50432	156978	196	167	138
MSA	12-31	36872	30165	58163	145176	32250	31002	31218	56390	150860	4	-5	-1
MICROPRO INT'L	08-31	12284	16374	20555	59159	18887	15661	12384	11679	58611	-1	-19	-35
NCA CORP	12-31	4132	4607	5181	17974	5501	6113	5115	5300*	22029	23	19	6
ON-LINE S/W	05-31	5286	7777	6666	25824	6182	6583	6891	7322	26978	4	5	-2
PANSOPHIC	04-30	10575	11452	16125	49918	14966	12503	16658	20050	64179	29	29	33
POLCY MGMT	12-31	15263	15701	17487	62268	19276	20977	21316	23246	84815	36	35	34
SCIENTIFIC S	12-31	4029	10667	11600	30893	10323	9142	8332	11084	38881	26	9	-13
SOFTECH	05-31	11097	9530	12222	41624	10922	10884	7990	9054	38850	-7	-15	-22
SOFTWR AG	05-31	8857	8663	9906	35030	10528	12030	11938	12657	47153	35	34	32
STERLING S/W	09-30	3084	3932	4251	12376	4797	4582	5063	4850	19292	56	29	21
UCCEL	12-31	36260	38000	44550	152963	39042	42974	42709	48708	173433	13	13	11
TOTALS		296586	338203	432872	1332881	398294	400881	440942	510377	1750494	31	27	23

26 Vendors

Last Updated 04-01-85

NET INCOME OF SOFTWARE PRODUCTS VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTERS	LAST 2 ROLLING QUARTRS
ADR	12-31	-835	3114	4108	7460	333	1694	2542	5093	9662	30	46	6
AMERICAN S/W	04-30	933	956	1382	3994	961	1181	1235	1666	5043	26	25	24
APPLIED COMM	09-30	375	481	-401	972	673	926	1007	147	2753	183	357	1343
BGS SYSTEMS	01-31	250	325	622	1335	143	93	23	0	259	-81	-90	-98
BPI SYSTEMS	03-31	414	613	380	2027	269	-72	-1563	-714	-2080	-203	-267	-329
COMSERV	12-31	191	-2855	-1000	-5813	-2840	-1874	-1135	-500	-6349	-9	4	58
COMPUTER AS.	03-31	513	1583	4610	8446	2694	1024	2231	6283	12232	45	42	37
CONTINUUM	03-31	30	617	935	2703	518	1374	1107	1179	4178	55	131	47
CULLINET	04-30	3641	3811	4230	15218	4812	5501	5977	6354	22644	49	53	53
HOGAN SYST.	03-31	1	1802	622	3603	4673	-1485	1007	-1352	2843	-21	-175	-114
INFORMATICS	12-31	1162	2264	4354	8546	673	-1176	1050	4133	4680	-45	-48	-22
INF. SCIENCE	04-30	-238	-236	408	1738	1554	-1053	-1808	-6219	-7526	-533	-13658	-4767
INNOVATIVE	06-30	25	-155	-16	-19	-162	-1430	-812	-588	-2992	-15647	-1838	-719
INT.SOFT.SYS	12-31	309	955	1583	3001	247	472	1184	2325	4228	41	40	38
LOTUS DEV.	12-31	1744	4708	6773	14316	7495	7647	9102	11802	36046	152	118	82
MSA	12-31	3225	-350	10195	10769	484	-1662	-1791	3212	243	-98	-102	-86
MICROPRO INT'L	08-31	2022	2974	2902	9271	3130	620	-756	-620	2374	-74	-110	-123
NCA CORP	12-31	274	321	274	1107	307	265	-502	-200	-130	-112	-150	-218
ON-LINE S/W	05-31	-236	787	-241	1039	-1146	-349	194	380	-921	-189	-27	5
PANSOPHIC	04-30	904	2749	3382	8648	2197	1174	3001	4374	10746	24	22	20
POLCY MGMT	12-31	2309	2631	2724	9728	3070	3371	3587	3680	13708	41	39	36
SCIENTIFIC S	12-31	113	1051	1500	3007	634	102	406	827	1969	-35	-50	-52
SOFTECH	05-31	728	515	145	1907	301	547	-347	135	636	-67	-76	-132
SOFTWR AG	05-31	983	1118	1293	3141	1662	1783	1873	1876	7194	129	63	55
STERLING S/W	09-30	443	317	170	1067	340	335	245	247	1167	9	-11	1
UCCEL	12-31	30	220	1250	200	779	1649	3583	6024	12035	5918	650	554
TOTALS		19310	30316	52184	117411	33801	20657	30640	49544	134642	15	-1	-3

26 Vendors

Last Updated 04-01-85

INPUT®

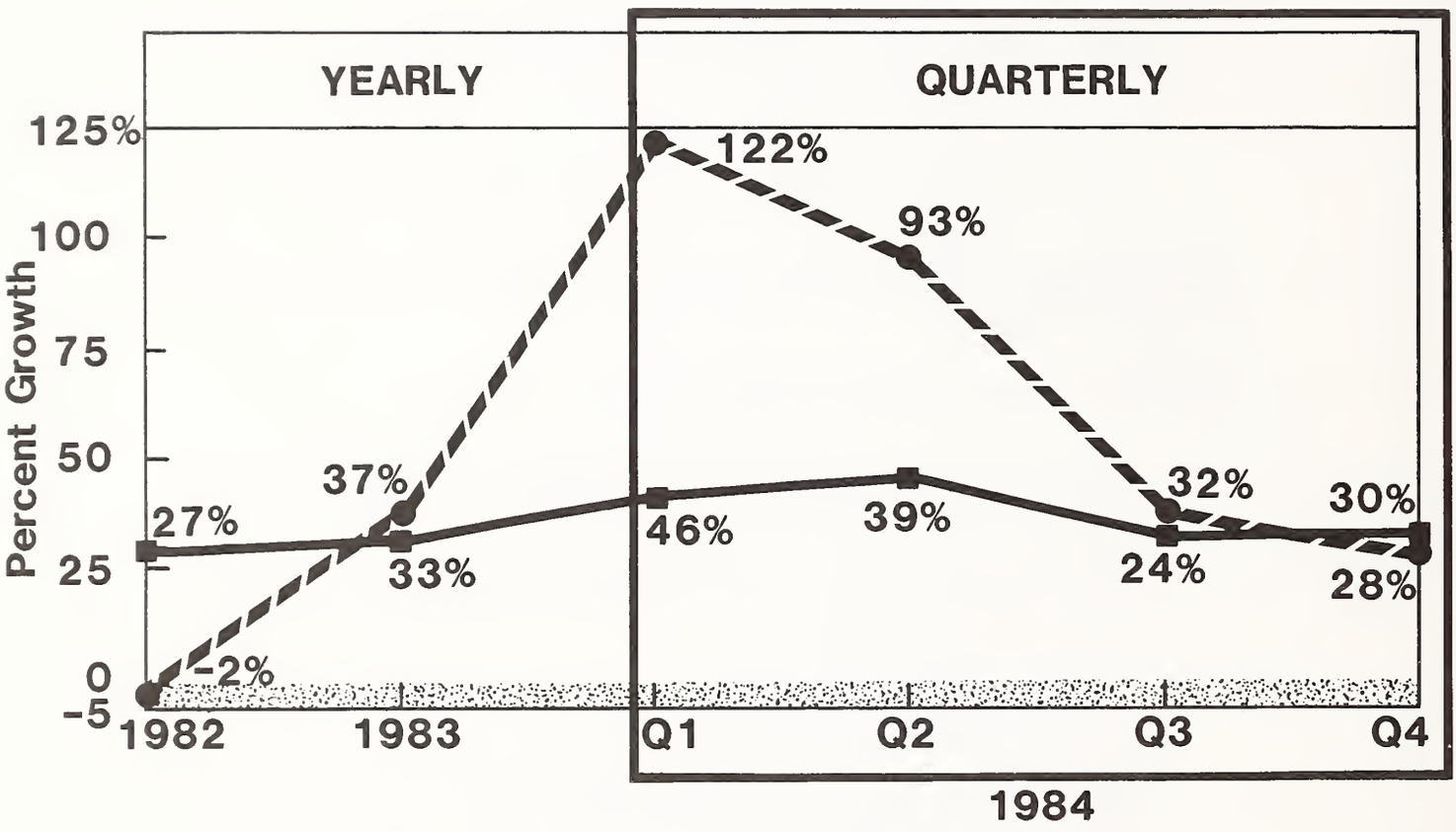
PUBLIC TURNKEY SYSTEMS VENDORS

VII TURNKEY SYSTEMS TRENDS ANALYSIS

- The revenue trend of turnkey system vendors over the last 12 months has been one of steady strong growth:
  - 1984 revenue grew 36% over 1983 (for the sample);
  - The rolling nine months' comparison shows a 36% growth;
  - The latest six months shows a 31% growth over the previous year.
- Net income continues to soar. In 1984 the companies listed averaged 57% growth over 1983 and in the last six months had a 32% growth over the year earlier period.
- Outstanding performances are becoming more numerous:
  - ASK Computer had a strong 50% growth in 1984 followed by 47% over the last nine months (on a growing revenue base) and a steady net income growth in excess of 30%.
  - Avant Garde has shown dramatic gains with revenue up over 58% in 1984 and net income up 71%.
  - Computer Consoles shows a strong recovery with seven consecutive profit quarters (although profits have dropped recently).
  - Daisy Systems had an astonishing 188% growth in 1984 over 1983, 158% in the last nine months, and 132% in the last six months.
  - Intergraph shows steady revenue growth around 60% and net income growth over 100%.
- The overall picture is now excellent with the exception of companies such as C3, DIMIS, and National Data Communications showing sharp reversals and companies such as PENTA Systems still struggling.
- The sample this quarter is 18 companies representing 37% of the turnkey systems industry revenues.

update: 4/1/85

PUBLIC TURNKEY SYSTEMS VENDORS



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REVENUES OF REVENUES OF PUBLIC TURNKEY VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTERS	LAST 2 ROLLING QUARTRS
ASK	06-30	12659	12460	15114	51213	17561	19941	18003	21282	76787	50	47	42
AUTO-TROL	12-31	12887	15079	17129	54129	16272	17157	16773	18725	68927	27	17	10
AVANT-GARDE	04-30	3033	3270	4106	12870	4987	5713	4901	4786	20387	58	48	31
C3	03-31	16575	16500	12870	68735	15100	15496	18467	19700	68763	0	17	30
COMPTEK RES.	03-31	4427	4793	5491	19508	6218	5986	6055	6315	24574	26	25	20
COMP CNSL	12-31	23580	27614	38657	103550	27237	36088	33321	34543	131189	27	16	2
COMP DSGN	08-31	437	493	612	1921	610	574	504	720	2408	25	17	11
COMPUTERV	12-31	94251	104026	111648	399942	121759	133589	137133	163861	556342	39	40	40
DAISY SYST.	09-30	5127	7315	13060	28320	15700	18538	21810	25484	81532	188	158	132
DIMIS INC.	12-31	1196	1106	606	4109	571	718	236	323	1848	-55	-56	-67
GERBER	04-30	35402	42929	42423	159053	53733	54586	52615	52530	213464	34	32	23
HBO	12-31	16640	16499	19339	67624	20407	21807	22384	24084	88682	31	30	30
INTERGRAPH	12-31	54813	59272	84604	244046	78702	98769	105480	120811	403762	65	64	57
NAT D. COM	10-31	2200	5831	1544	11428	1967	1646	1780	1689	7082	-38	-47	-53
PENTA SYST.	12-31	4525	7173	6040	21716	5692	5981	6322	6059	24054	11	4	-6
REYNOLDS & R	09-30	64189	66253	67163	263821	72827	74247	75571	74602	297247	13	14	13
TERA CORP	06-30	3701	4362	4059	16812	3688	5343	6439	8257	23727	41	65	75
TRIAD	09-30	17347	28600	24126	92097	31230	29949	35100	23905	120184	30	27	12
TOTALS		372989	423575	468591	1620894	494261	546128	562894	607676	2210959	36	36	31

18 Vendors

Last Updated 04-01-85

NET INCOME OF PUBLIC TURNKEY VENDORS

COMPANY NAME	FISCAL YEAR END	($ THOUSANDS) 1983 Q2	1983 Q3	1983 Q4	1983 TOTAL	1984 Q1	1984 Q2	1984 Q3	1984 Q4	1984 TOTAL	PERCENT 1984/1983 %(+/-)	LAST 3 ROLLING QUARTERS	LAST 2 ROLLING QUARTRS
ASK	06-30	1155	991	1906	5139	1758	1487	1706	2138	7089	38	32	33
AUTO-TROL	12-31	-1397	416	968	-3276	773	1143	222	614	2752	184	15323	-40
AVANT-GARDE	04-30	199	306	402	1048	527	626	396	245	1794	71	40	-9
C3	03-31	2282	2000	436	8289	-400	1404	1303	742	3049	-63	-27	-16
COMPTEK RES.	03-31	177	227	271	917	432	330	338	322	1422	55	47	33
COMP CNSL	12-31	2728	4086	5691	10392	1314	2835	1390	751	6290	-39	-60	-78
COMP DSGN	08-31	10	47	5	75	17	14	246	98	375	400	477	562
COMPUTERV	12-31	7990	9093	10439	35340	10750	7363	4692	14921	37726	7	-2	0
DAISY SYST.	09-30	669	1703	2307	4845	2600	2785	3297	3954	12636	161	114	81
DIMIS INC.	12-31	-316	-288	-780	-1767	-724	-256	-529	-718	-2227	-26	-9	-17
GERBER	04-30	2380	3402	3698	11251	5197	5796	6424	6293	23710	111	95	79
HBO	12-31	2366	2657	2751	10001	3229	3420	3608	3639	13896	39	37	34
INTERGRAPH	12-31	6544	7719	10649	29342	10304	16470	17366	18796	62936	114	111	97
NAT D. COM	10-31	-1814	606	-617	-3260	-14	-447	7125	-209	6455	298	454	62973
PENTA SYST.	12-31	264	939	265	1719	100	111	-482	-1273	-1544	-190	-212	-246
REYNOLDS & R	09-30	3586	3973	3693	13816	4201	4462	4789	4121	17573	27	19	16
TERA CORP	06-30	-678	-750	-717	-1811	-1720	-1251	30	66	-2875	-59	46	107
TRIAD	09-30	-1489	1900	430	1439	1651	1262	1500	-1623	2790	94	35	-105
TOTALS		24656	39027	41797	123499	39995	47554	53421	52877	193847	57	46	32

18 Vendors

Last Updated 04-01-85

INPUT®

PUBLIC INFORMATION SERVICES VENDORS ANALYSIS

VIII PUBLIC INFORMATION SERVICES VENDORS ANALYSIS

- The comparison of the quarter growth rates (e.g., 1984 growth in Quarter 1 compared to 1983 growth in Quarter 1 for a given service sector) enables the rate of recovery (or lack thereof) to be clearly identified for each sector.

- The **processing services** sector, recovered from the revenue slump in Q2-Q3, 1982, appears to be entering another difficult period. Net income growth shows an uneven performance with vendors split into two groups: very successful and serious loss making. This quarter a much needed recovery in net income failed to materialize.

- The **software products** sector had a strong first two quarters in 1984 but has now slowed to 30%. Net income growth has stopped and a shakeout can be expected in 1985.

- The **professional services** sector plateaued in revenue and lost the net income performance of the previous four quarters. No growth was achieved in this quarter.

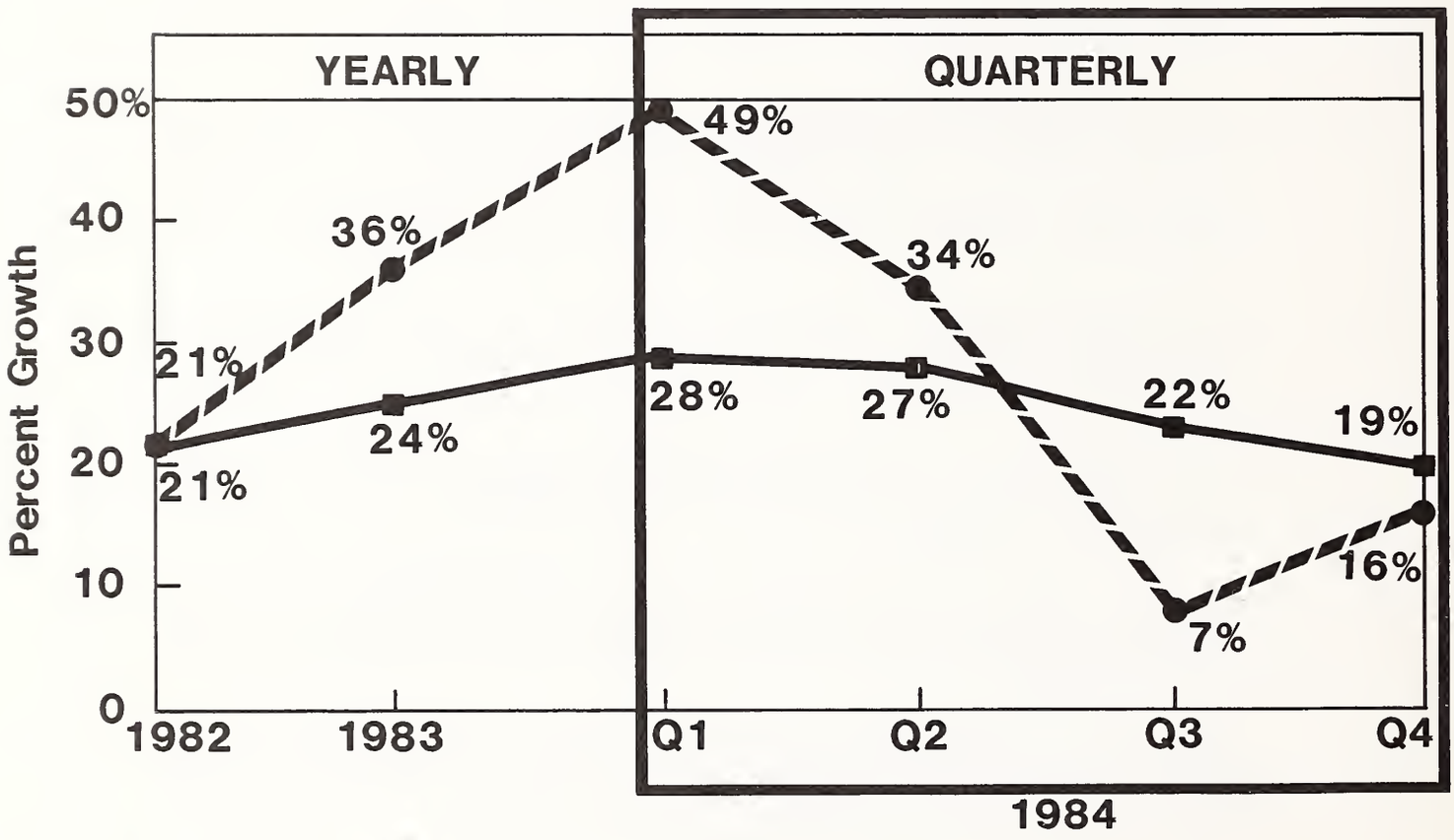
- **Turnkey systems** revenue growth cooled in the last quarter. Net income is strong and shows the best growth picture of all the information services sectors.

- Overall, the information services industry recovered in the first half of 1984 from an unspectacular 1983, but the second half results look problematic. Net income is heavily impacted by the poor performance of the processing services sector in the third quarter of 1984.

- The total sample has been increased this quarter to 99 companies representing 24% of the total information services industry.

update: 4/1/85

PUBLIC INFORMATION SERVICES VENDORS



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PUBLIC INFORMATION SERVICE VENDOR PERFORMANCE

1981 THRU 1984, ($ Millions Revenue)

SERVICE	Q1	Q2	Q3	Q4	PUBLIC SERVICES ANNUAL TOTAL	SECTOR TOTAL	SECTOR AS % OF INDSTRY	PUBLIC AS % OF SECTOR
PROCESSING (31 COS)								
81 REV	387	391	402	420	1602	10290	46	16
82 REV	463	469	463	494	1896	11164	42	17
83 REV	540	550	569	612	2272	12611	40	18
84 REV	663	668	675	718	2723	14169	36	19
82/81 %	20	20	15	18	18	8		
83/82 %	17	17	23	24	20	13		
84/83 %	23	21	19	17	20	12		
SOFTWARE(26 COS)								
81 REV	142	167	175	219	703	4165	19	17
82 REV	200	217	223	293	933	5766	22	16
83 REV	265	297	338	433	1333	7703	24	17
84 REV	398	401	441	510	1751	10569	27	17
82/81 %	41	30	27	34	33	38		
83/82 %	33	37	52	48	43	34		
84/83 %	50	35	30	18	31	37		
PROFESS. SER.(25 COS)								
81 REV	420	421	423	454	1718	4993	22	34
82 REV	488	486	492	517	1984	5981	23	33
83 REV	549	558	588	601	2295	6938	22	33
84 REV	627	645	657	689	2619	8584	22	31
82/81 %	16	15	16	14	15	20		
83/82 %	13	15	20	16	16	16		
84/83	14	16	12	15	14	24		
TURNKEY SYST. (18 COS)								
81 REV	230	237	254	264	985	2884	13	34
82 REV	306	300	307	346	1259	3604	14	35
83 REV	356	373	424	469	1621	4342	14	37
84 REV	494	546	563	608	2211	5775	15	38
82/81 %	33	27	21	31	28	25		
83/82 %	16	24	38	36	29	20		
84/83 %	39	46	33	30	36	33		
TOTALS (100 COS)								
81 REV	1179	1216	1254	1357	5008	22332	100	22
82 REV	1457	1472	1485	1650	6072	26516	100	23
83 REV	1710	1778	1919	2115	7521	31595	100	24
84 REV	2182	2260	2336	2525	9304	39096	100	24
82/81 %	24	21	18	22	21	19		
83/82 %	17	21	29	28	24	19		
84/83 %	28	27	22	19	24	24		

Last Updated 04-01-85

PUBLIC INFORMATION SERVICE VENDOR PERFORMANCE

1981 THRU 1984, ($ Thousands Net Income)

SERVICE		Q1	Q2	Q3	Q4	PUBLIC ANNUAL TOTAL
PROCESSING (29 COS)						
	81 NET	31523	34306	28202	28837	123230
	82 NET	44094	43962	37983	42273	169213
	83 NET	56506	56250	41549	43703	198008
	84 NET	65294	65185	36662	43953	211094
	82/81 %	40	28	35	47	37
	83/82 %	28	28	9	3	17
	84/83 %	16	16	-12	1	7
SOFTWARE(26 COS)						
	81 NET	7081	11914	13571	24189	56755
	82 NET	12331	13010	15138	17222	57701
	83 NET	15601	19310	30316	52184	117411
	84 NET	33801	20657	30640	49544	134642
	82/81 %	74	9	12	-29	2
	83/82 %	27	48	100	203	103
	84/83 %	117	7	1	-5	15
PROFESS. SER.(25 COS)						
	81 NET	11285	10148	9036	13703	44172
	82 NET	16630	16597	15335	17529	66091
	83 NET	18826	17468	21851	25350	83495
	84 NET	23336	24635	21751	32815	102537
	82/81 %	47	64	70	28	50
	83/82 %	13	5	42	45	26
	84/83 %	24	41	0	29	23
TURNKEY SYST. (18 COS)						
	81 NET	17594	31022	21616	21846	92078
	82 NET	23273	23972	19951	23089	90285
	83 NET	18019	24656	39027	41797	123499
	84 NET	39995	47554	53421	52877	193847
	82/81 %	32	-23	-8	6	-2
	83/82 %	-23	3	96	81	37
	84/83 %	122	93	37	27	57
TOTALS	(98 COS)					
	81 NET	67483	87390	72425	88575	316235
	82 NET	96328	97541	88407	100113	383290
	83 NET	108952	117684	132743	163034	522413
	84 NET	162426	158031	142474	179189	642120
	82/81 %	43	12	22	13	21
	83/82 %	13	21	50	63	36
	84/83 %	49	34	7	10	23

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Formed in 1974, INPUT has become a leading international planning services firm. Clients include over 100 of the world's largest and most technically advanced companies.

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